

SURVEY ON PREDICTION OF LOAN APPROVAL USING MACHINE LEARNING TECHNIQUES

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OVERVIEW :

The enhancement in the banking sector lots of people are applying for bank loans but the bank has its limited assets which it has to grant to limited people only. The main objective is to predict whether assigning the loan to particular person will be safe or not. Through this proposed model, we can able to predict whether assigning the loan to particular person will be safe or not which will be a safer option for the bank is a typical process and also reducing this risk factor behind selecting the safe person so as to save lots of bank efforts and assets

MERITS :

- Machine learning helps to understand the factors which affect the specific outcomes most. This is done by mining the Big Data of the previous records of the people to whom the loan was granted before and on the basis of these records/experiences the machine was trained using the machine learning model which give the most accurate result.
- Other models like neutral network and discriminate analysis can be used individually or combined for enhancing reliability and accuracy prediction

DEMERITS :

- The model has to be trained periodically with new training datasets. There were multiple malfunctions in the computers, content errors and fixing of weight in computerized prediction systems.
- In the near term, the banking software could be more reliable, accurate, and dynamic in nature and can be fit in with an automated processing unit. There have been numbers cases of computer glitches, errors in content and most important weight of features is fixed in automated prediction system more secure, reliable and dynamic weight adjustment.